

**CHAPTER NO. 389**

**HOUSE BILL NO. 1343**

**By Representatives Hargrove, Crider, Baird**

**Substituted for: Senate Bill No. 896**

**By Senators Clabough, Cooper, Norris, McNally**

AN ACT to amend Tennessee Code Annotated, Title 71, Chapter 5, relative to medical assistance and TennCare.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 71-5-188, is amended by adding the following language at the end of the section:

The study will include the state's assessment of the rates paid to its contracted managed care organizations and behavioral health organizations each year. Included in the analysis will be a review of payments for hospital providers for similar services for comparable populations in other state Medicaid programs. The review will be considered in determining reasonable payment rates for hospital providers, including safety net hospitals providing essential and unduplicated services and sole community provider hospitals.

In addition in a separate section of the report, the study shall include an analysis of actual provider costs. This analysis will be used to determine reasonable costs for comparison with the provider assumptions used in the study. Information used to compile this study shall be public information.

SECTION 2. This act shall take effect upon becoming law, the public welfare requiring it.

**PASSED: May 28, 2003**

  
JIMMY RAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

  
JOHN S. WILDER  
SPEAKER OF THE SENATE

**APPROVED this 23<sup>rd</sup> day of June 2003**

  
PHIL BREDESEN, GOVERNOR